ANNEX 22

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Subject: Brit Foreign Office Formulating Over-all British Economic Policy Statement for Middle East.

According Mr. D. A. Greenhill, Middle East Secretariat Brit Foreign Office, his office has been hard at work for some weeks drawing up an over-all British economic policy statement for the Middle East for submission to the Inter-Departmental Middle East Committee of which Mr. Hector McNeil, Minister of State, recently assumed the Chairmanship. Mr. Greenhill apologized for not being able to supply Embassy with a draft of the policy statement prepared by his office but explained that the Middle East Committee had not accepted this draft in its entirety and further work was being done on it. However, the section of the draft which recommended that there should be increased Anglo-American cooperation in connection with economic and cultural developments in the Middle East was endorsed by the Middle East Committee, which directed that a Working Party be set up to study the possibility of improved Anglo-American cooperation in this field. Greenhill is Chairman of this Working Party of which he hopes to call a meeting in the near future. (Note: Embassy's earlier conversations with Mr. Greenhill are embodied in despatch No. 89 of March 21, 1947, subject "Conversation with Mr. D. A. Greenhill, Middle East Secretariat, London re Plans to Improve Standards of Living in the Near East," and despatch No. 2198 of October 22, 1946, subject "Adviser Program of the Economic Development Section, British Middle East Office, Cairo.")

When asked by Greenhill for his personal views on this subject, Embassy representative said that in his opinion the fullest exchange of data in Washington and London on an informal basis might be of far more value than the establishment of a formal Anglo-American committee, either in the Middle East or elsewhere, to deal with economic and cultural problems. Emb rep remarked that, in his view, the Department's Committee for Iran, Turkey and the Arab States might be the focal point in Washington for working out close informal cooperation on Middle Eastern economic and cultural problems since it embraced all the various Divisions of the Department, having either a direct or collateral interest in the area. Emb rep suggested that when the ideas of Mr. Greenhill's Working Party have crystallized, some means should be found whereby Mr. Greenhill or someone else could lay them before CITAS, there being a possibility that if all

went well

went well arrangements might be made later for one or two CITAS reps to come to London, bringing with them the reflections of CITAS on the general problem. Mr. Greenhill welcomed this idea in principle, and said that he would keep Emb fully informed re his Working Party.

Mr. Greenhill mentioned Iraq as a place where Anglo-American cooperation would be particularly useful at the present time. He said that recently the Iraq Govt had requested aid of Brit Govt in finding over eighty technical advisers in the fields of agriculture, economics, engineering, etc. He was certain that in some of these fields Americans would be more qualified than Englishmen, and would be welcomed as advisers by the Iraqis provided they were willing to work for the same pay and allowances as Englishmen. He wondered whether the U.S. Govt would take on the task of finding some of these advisers. If so, it would obviously be desirable that the U.S. and Brit Govts should divide the list and recruit against a background of an agreed policy.

It is suggested that a fruitful topic for study and report by CITAS would be ways and means of improving Anglo-American cooperation in connection with assisting Arab States in their efforts to improve their standards of health, education, agriculture, etc. Embassy hopes eventually to provide for use of CITAS in this connection various documents worked out by the Middle East Secretariat, London, in conjunction with the British Middle East Office in Cairo. However, any work which CITAS might initiate in this regard in the meantime would be extremely helpful to the Middle East Secretariat, which would regard it as welcome concrete evidence that the U.S. shares with Great Britain the conviction, repeatedly expressed by Mr. Bevin and others in London, that the best defense against Communism in the Middle East is a general improvement in the standard of living in the area, and that the good will and respect of the Arab States for the Anglo-Saxon world generally would be an invaluable military asset (perhaps the most valuable asset) in the event military operations should become necessary in the Middle East.

DOUGLAS

cc to American Embassy, Cairo
cc to American Embassy, Baghdad
cc to American Embassy, Tehran
cc to American Legation, Beirut
cc to American Legation, Damascus
cc to American Legation, Jidda

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